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**OBASKA
LAKE
MINES LIMITED**

Annual Report

YEAR ENDED DECEMBER 31, 1968

OBASKA LAKE MINES LIMITED

| | |
|---------------------------------|---|
| OFFICERS | W. W. DENNIS <i>President</i> F. L. BELANGER <i>Vice-President</i> G. D. PATTISON <i>Secretary-Treasurer</i> R. D. BELL <i>Assistant Secretary-Treasurer</i> |
| DIRECTORS | F. L. BELANGER Val d'Or, Quebec R. D. BELL Toronto, Ontario W. W. DENNIS Toronto, Ontario P. PAQUIN Val d'Or, Quebec G. D. PATTISON Aurora, Ontario |
| AUDITORS | NEFF, GOODWIN & Co. Toronto, Ontario |
| TRANSFER AGENT AND REGISTRAR | NATIONAL TRUST COMPANY, LIMITED Toronto, Ontario |
| HEAD OFFICE | SUITE 509, 25 ADELAIDE STREET WEST Toronto, Ontario |

Obaska Lake Mines Limited

Directors' Report

To the Shareholders,
OBASKA LAKE MINES LIMITED.

Presented with this report are the financial statements of your Company for the year ended December 31, 1968, with Auditors' Report thereon dated May 1, 1969.

During the past year your Company's activities were confined mainly to property reconnaissance and examination in various mining areas with the view to acquiring exploration prospects.

In the latter part of the year a 50% interest was acquired by staking in a group of 50 mining claims located in the Mont Laurier area of Quebec, where considerable interest had been created by the discovery of radioactive mineralization. The claim group is favourably located in relation to the holdings of major companies active in the area. It is proposed to explore the claims initially by scintillometer and geochemical surveys.

The group of 10 claims in the Bancroft area of Ontario, in which your Company held a 50% interest, were allowed to lapse. Also the negotiations to obtain a working option on a group of 47 claims in Louvicourt Township from Quebec Gold Belt Mines Limited were unsuccessful.

The Company continues to hold in good standing its option on eight mining claims in Galinee Township, Quebec.

During March of 1969 your Company purchased a 22½% interest in a group of 100 mining claims located in the Mistassini Lake area of Northern Quebec. These claims were acquired because of the possibilities of uranium mineralization and will be investigated by surface exploration during the summer season.

On behalf of the Board,

W. W. DENNIS,

President.

Toronto, Ontario,
June 3, 1969.

Obaska Lake

(Incorporated under the laws of the Province of Ontario)

Balance Sheet

AS AT DECEMBER 31, 1968

Assets

| | 1968 | 1967 |
|---|---------------------|---------------------|
| Current assets: | | |
| Cash in bank | \$ 12,428.39 | \$ 10,095.41 |
| Cash on deposit | 70,044.11 | 78,581.46 |
| Accounts receivable | 57.42 | |
| | <u>82,529.92</u> | <u>88,676.87</u> |
| Investments — at cost | | |
| Shares in another mining company | 59,851.24 | 59,851.24 |
| Mining syndicate | | 3,984.03 |
| | <u>59,851.24</u> | <u>63,835.27</u> |
| Mining properties — at cost (note 1) | 1,251.00 | 1,202.00 |
| Deferred exploration expenditure | 30,225.09 | 33,063.20 |
| | <u>\$173,857.25</u> | <u>\$186,777.34</u> |

Auditor's Report

To the Shareholders

OBASKA LAKE MINES LIMITED

We have examined the balance sheet of Obaska Lake Mines Limited as at December 31, 1968, and the deferred exploration expenditure and source and application of funds for the year ended December 31, 1968, of the accounting procedures and such tests of accounting records as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Obaska Lake Mines Limited as at December 31, 1968, and the results of its operations and the source and application of its funds for the year ended December 31, 1968, in accordance with the accounting principles applied on a basis consistent with that of the Province of Ontario.

Toronto, Canada,
May 1, 1969.

Lines Limited

(Incorporated under the laws of Canada)

Balance Sheet

December 31, 1968

Liabilities

| | 1968 | 1967 |
|-----------------------------|-----------|-----------|
| Current liabilities: | | |
| Accounts payable | \$ 941.36 | \$ 497.09 |

Shareholders' Equity

Capital stock:

| | | |
|--|---------------------|---------------------|
| Authorized: 5,000,000 shares of no par value | | |
| Issued: 4,377,505 shares | 673,130.00 | 673,130.00 |
| Deficit | 500,214.11 | 486,849.75 |
| | <u>172,915.89</u> | <u>186,280.25</u> |
| | <u>\$173,857.25</u> | <u>\$186,777.34</u> |

See notes to financial statement.

Approved on behalf of the Board:

"W. W. DENNIS" (Director)

"G. D. PATTISON" (Director)

Report

audited as at December 31, 1968 and the statements of deficit, for the year then ended. Our examination included a general review of other supporting evidence as we considered necessary in the

financial position of the Company as at December 31, 1968 and the results for the year then ended, in accordance with generally accepted auditing standards of the preceding year.

NEFF, GOODWIN & CO.,
Chartered Accountants.

Obaska Lake Mines Limited

STATEMENT OF DEFERRED EXPLORATION EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1968

| | Balance December 31, 1967 | 1968 Expenditures | Balance December 31, 1968 |
|--------------------------------------|---------------------------------|----------------------|---------------------------------|
| Galinee Township, Ontario | | | |
| Diamond drilling | \$22,933.72 | \$ | \$22,933.72 |
| Travel and transportation | 1,878.19 | | 1,878.19 |
| Engineering fees | 1,500.00 | | 1,500.00 |
| Supplies | 1,128.21 | | 1,128.21 |
| Geophysical survey | 895.00 | | 895.00 |
| Licenses, fees and taxes | 622.92 | 256.46 | 879.38 |
| Assaying | 607.50 | | 607.50 |
| Linecutting | 244.49 | | 244.49 |
| Postage and telephone | 111.20 | | 111.20 |
| Sundry | 47.40 | | 47.40 |
| | <u>29,968.63</u> | <u>256.46</u> | <u>30,225.09</u> |
| Township 80, Ontario | | | |
| Linecutting | 315.00 | | 315.00 |
| Survey | 150.00 | | 150.00 |
| Licenses, fees and taxes | 89.50 | 14.50 | 104.00 |
| Travel | 42.00 | | 42.00 |
| | <u>596.50</u> | <u>14.50</u> | <u>611.00</u> |
| Mount Eagle Township, Ontario | | | |
| Prospecting | 2,498.07 | | 2,498.07 |
| | <u>\$33,063.20</u> | <u>\$ 270.96</u> | <u>33,334.16</u> |
| Write off to deficit | | | 3,109.07 |
| | | | <u>\$30,225.09</u> |

SCHEDULE OF ADMINISTRATION EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1968

| | 1968 | 1967 |
|--|-------------------|------------------|
| Legal and audit | \$2,761.30 | \$ 550.00 |
| Administration fee | 1,800.00 | 1,800.00 |
| Shareholders information and reports | 1,106.19 | 1,066.24 |
| Transfer agency fees | 1,062.78 | 429.23 |
| Postage and office expense | 214.83 | 25.90 |
| Government fees and taxes | 103.92 | 179.92 |
| Travel expense | 27.00 | 72.00 |
| Sundry | 12.51 | 150.50 |
| Directors fees | | 225.00 |
| | <u>7,088.53</u> | <u>4,498.79</u> |
| Less: Interest earned | 4,503.08 | 3,732.41 |
| Transfer to deficit | <u>\$2,585.45</u> | <u>\$ 766.38</u> |

Obaska Lake Mines Limited

STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1968

| | 1968 | 1967 |
|--|--------------|--------------|
| Balance, beginning of the year | \$486,849.75 | \$485,415.73 |
| Acquisition cost of mining claims abandoned | 1,201.00 | |
| Exploration expenditure on mining claims abandoned | 3,109.07 | |
| Prospecting expense | 2,484.81 | 667.64 |
| Investment in mining syndicate | 3,984.03 | |
| Administration expenditure | 2,585.45 | 766.38 |
| | 13,364.36 | 1,434.02 |
| Balance, end of the year | \$500,214.11 | \$486,849.75 |

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1968

| | 1968 | 1967 |
|--|--------------|--------------|
| Source: | | |
| Interest earned | \$ 4,503.08 | \$ 3,732.41 |
| Application: | | |
| Exploration expenditure | 270.96 | 3,351.03 |
| Prospecting expense | 2,484.81 | 667.64 |
| Administration expenditure | 7,088.53 | 4,498.79 |
| Acquisition cost of mining claims | 1,250.00 | 1,201.00 |
| Investment in mining syndicate | | 3,984.03 |
| | 11,094.30 | 13,702.49 |
| Decrease in working capital | 6,591.22 | 9,970.08 |
| Working capital, beginning of the year | 88,179.78 | 98,149.86 |
| Working capital, end of the year | \$ 81,588.56 | \$ 88,179.78 |

Obaska Lake Mines Limited

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1968

1. Mining properties:

Option on eight mining claims in Galinee Township, Quebec at option cost. \$ 1.00

In order to fully exercise this option the Company would be required to incorporate a new 5,000,000 share company on or before March 31, 1970 to acquire the claims. The optionor would receive 350,000 of the vendor shares issued by the new company for the claims and would have the right to participate up to 15% in the financing of the new company.

50% interest in 50 unpatented mining claims in the Township of Fontbrune, Electoral District of Labelle, Quebec at cost of staking.

1,250.00

\$1,251.00

2. Directors and senior officers remuneration:

The aggregate direct remuneration paid to directors and senior officers was \$1,000.00 during 1968 and \$225.00 during 1967.

OBASKA LAKE MINES LIMITED

SUITE 509, 25 ADELAIDE STREET WEST
TORONTO 1, ONTARIO

TO THE SHAREHOLDERS:

Shown below for your information is the unaudited Statement of Source and Application of Funds and Statement of Administration Expenses for the six months ended June 30, 1968 with comparative figures for the same period in 1967.

W. W. DENNIS,

President.

August 14, 1968

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
(unaudited)

| | Six months ended June 30, 1968 | June 30, 1967 |
|--|--------------------------------------|------------------|
| Source | | |
| Interest earned | \$ 1,541 | \$ 2,425 |
| Application | | |
| Cost of mining properties | | 1,200 |
| Deferred exploration and development expense | 617 | 345 |
| General exploration expense | | 496 |
| Syndicate participation | | 1,000 |
| Administration expenses | 2,389 | 2,278 |
| | <u>3,006</u> | <u>5,319</u> |
| Decrease in working capital | 1,465 | 2,894 |
| Working capital beginning of period | 88,180 | 98,150 |
| Working capital end of period | <u>\$ 86,715</u> | <u>\$ 95,256</u> |

STATEMENT OF ADMINISTRATION EXPENSES
(unaudited)

| | Six months ended June 30, 1968 | June 30, 1967 |
|---|--------------------------------------|------------------|
| Head office services | \$ 900 | \$ 900 |
| Legal and audit fees | 50 | 200 |
| Annual report and shareholders' information | 984 | 788 |
| Directors' fees | | 225 |
| Government fees and taxes | 104 | 160 |
| Registrar and transfer agent's fees | 216 | |
| Sundry | 135 | 5 |
| | <u>\$ 2,389</u> | <u>\$ 2,278</u> |

OBASKA LAKE MINES LIMITED

Suite 509 — 25 Adelaide Street West, Toronto 1, Ontario.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of the Shareholders of OBASKA LAKE MINES LIMITED will be held at Suite 510, 25 Adelaide Street West, Toronto, Ontario on Monday the 17th day of June, 1968, at the hour of 12.00 o'clock noon, Toronto Time, to:

- (a) receive the 1967 Annual Report, including the financial statements for the year ended December 31, 1967 with the Report of the Auditors thereon;
- (b) elect Directors;
- (c) appoint auditors and authorize the Directors to fix their remuneration;
- (d) transact such other business as may properly come before the meeting or any adjournment thereof.

A copy of the 1967 Annual Report accompanies this notice.

DATED at Toronto, this 31st day of May, 1968.

By Order of the Board of Directors,

G. D. PATTISON

Secretary

Shareholders who are unable to attend the meeting in person are requested to date and sign the enclosed form of instrument of proxy and return it in the envelope provided for that purpose.

OBASKA LAKE MINES LIMITED

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Obaska Lake Mines Limited (the Company) of proxies for use at the Annual Meeting of the Shareholders of the Company and at any adjournment thereof to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. The solicitation will be made primarily by mail but it may be that proxies may also be solicited personally by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

A SHAREHOLDER DESIRING TO APPOINT ANY PERSON OTHER THAN THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY AS HIS NOMINEE TO ATTEND AND ACT AT THE MEETING FOR HIM MAY DO SO by striking out the printed names in the enclosed form of proxy and inserting the name of his nominee in the blank space provided in the form of proxy.

A shareholder who has given a proxy may revoke the same at any time.

EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. IN THE ABSENCE OF SUCH DIRECTION, SUCH SHARES WILL BE VOTED FOR THE APPROVAL OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS, AND FOR THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED UNDER THOSE HEADINGS IN THIS CIRCULAR. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no other matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES

On May 31, 1968 the Company had outstanding 4,377,505 shares of no par value, carrying the right to one vote per share so that the aggregate number of votes attaching to all the outstanding shares is 4,377,505. The Directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company.

ELECTION OF DIRECTORS

The Board consists of five Directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the Board of Directors and have been since the dates indicated. The Management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each Director elected will hold office until the next Annual Meeting and until his successor is duly elected, unless his office is earlier vacated.

The following information is furnished with respect to each person proposed to be nominated for election as a Director:

| Name | Became Director | Number of shares beneficially owned |
|--|-----------------|-------------------------------------|
| R. D. BELL of Willowdale, Ontario is assistant secretary-treasurer of the Company, which office he has held since 1964. He is a chartered accountant, and has been for the preceding five years, Secretary-Treasurer of Perry-Pattison Limited, Corporate Secretaries. | 1965 | 1 |
| F. L. BELANGER of Val d'Or, Quebec is vice-president of the company which office he has held since 1960. He is and has been for the preceding five years an Imperial Oil distributor in Northern Quebec. | 1950 | 18,001 |
| W. W. DENNIS of Toronto, Ontario is president of the company which office he has held since 1964. He is and has been for the preceding five years a prospector. | 1964 | 210,504 |
| G. D. PATTISON of Aurora, Ontario is secretary-treasurer of the Company, which office he has held since 1964. He is a chartered accountant, and has been for the preceding five years, Vice-President of Perry-Pattison Limited, Corporate Secretaries. | 1964 | 93 |
| P. PAQUIN of Val d'Or, Quebec is and has been for the preceding five years a lumber merchant. | 1952 | 75,001 |

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the fiscal year ended December 31, 1967 the aggregate remuneration payable by the Company to the Directors and senior officers was \$225.00.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Messrs. Neff, Goodwin & Co., Chartered Accountants of Toronto, as auditors of the Company to hold office until the next Annual Meeting of Shareholders.

May 31, 1968.

